

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

April 01, 2025 at 2:00 p.m.
State Capitol, Room 308

In consideration of
S.B. 1602 SD1 HD1
RELATING TO THE KEAUKOU AQUIFER SYSTEM.

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee.

HHFDC supports SB 1602 SD1 HD1, which establishes the Keauhou Aquifer System Monitoring Pilot Project. It also requires the Department of Land and Natural Resources (DLNR) to determine whether to continue, expand, or end the Pilot Project; appropriates funds to DLNR for the Pilot Project and to install two monitoring wells in the Keauhou Aquifer System; and requires reports to the Legislature.

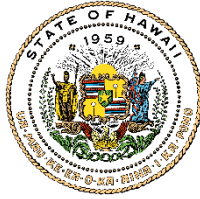
The development of affordable housing in West Hawaii is being impeded by concerns about the development of new water sources. For example, HHFDC's Kamakana Villages, a master planned community in north Kona with the potential of 1,600 affordable housing units, is located within the area of the Keauhou Aquifer and is stalled due to a lack of potable water.

The pilot program will help to address concerns about developing new water sources in north Kona.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the House Committee on
FINANCE

Tuesday, April 1, 2025
2:00 PM

State Capitol, Conference Room 308 & Videoconference

In consideration of
SENATE BILL 1602 SD1 HD1
RELATING TO THE KEAUKOU AQUIFER SYSTEM

Senate Bill 1602 SD1 HD1 proposes to establish a Keauhou aquifer system monitoring pilot program within the Department of Land and Natural Resources (Department) and directs the Commission on Water Resource Management (Commission) implement a program to: 1) manage the monitoring wells installed in the Keauhou aquifer system; 2) monitor groundwater levels in the Keauhou aquifer system; and 3) conduct water quality tests in the Keauhou aquifer system. This bill also requires the Department to submit an interim report to the Legislature every six months, detailing groundwater levels and water quality analysis in the Keauhou aquifer system. The bill also appropriates funds for fiscal years 2025-2026 and 2026-2027 for the installation of two monitoring wells in the Keauhou aquifer. **The Department strongly supports this measure, provided that its passage does not adversely impact the Administration's budget priorities, and offers comments.**

The Keauhou aquifer system is a vital water source that sustains local communities, ecosystems, and cultural practices. However, it faces ongoing challenges, including increasing water demand and concerns over potential resource overuse. The balance between development and resource sustainability remains a key issue, as stakeholders seek to ensure long-term water availability while preserving the unique environmental and cultural heritage of the region.

The Commission seeks to protect and regulate groundwater use within the Keauhou aquifer system, ensuring that withdrawals do not compromise the health of the aquifer or the ecosystems and traditional practices that rely on it. The Department appreciates the inclusion of its suggested amendments to create a Keauhou aquifer system monitoring pilot project in support of this goal. A pilot project would support ongoing efforts to manage the Keauhou aquifer system, conduct community outreach and education, and collaborate with other agencies such as the Division of

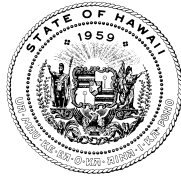
Aquatic Resources. The Department will require ongoing funding to support these functions and recommends an appropriation of \$200,000 in the 2025-2026 fiscal year, and \$200,000 in the 2026-2027 fiscal year.

If consistent with the administration's funding priorities, the Department also supports the construction of monitoring wells within the Keauhou aquifer system to support responsible management of Keauhou's ground water resources. The Department notes that the House Committee on Finance amended House Bill 300, HD1 to include \$4,000,000 in Capital Improvement Project funding for the 2025-2026 fiscal year for the construction of two deep monitoring wells within the Keauhou aquifer. This measure could provide a vehicle for that funding in the event that the CIP appropriation is removed from House Bill 300.

Mahalo for the opportunity to testify in strong support of this measure.

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawai'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawai'i*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. LAMBERT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
HEARING ON APRIL 1, 2025 AT 2:00PM IN CR 308

SB 1602, SD 1, HD 1, RELATING TO THE KEAUKOU AQUIFER SYSTEM

April 1, 2025

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill which establishes the Keauhou Aquifer System Monitoring Pilot Project, 2) requires the Department of Land and Natural Resources (DLNR) to determine whether to continue, expand, or end the Pilot Project, 3) appropriates funds to DLNR for the Pilot Project and to install two monitoring wells in the Keauhou Aquifer System and 4) requires reports to the legislature.

DHHL appreciates the intent of this measure. DHHL recognizes that this measure requires interim reports to be submitted by DLNR to the legislature every six months, detailing, at minimum, groundwater levels and water salinity analysis in the Keauhou aquifer system. DHHL simply requests that a copy of the reports also be submitted to the Commission on Water Resource Management.

DHHL has a need for and rights to groundwater from the Keauhou Aquifer for existing homesteads and the development of new homestead uses and other DHHL projects. DHHL has rights to water under the Hawaiian Homes Commission Act, the State Constitution, the State Water Code, as well as other statutory and case law. DHHL's reservations and uses of water are one of four recognized public trust uses of water that are supposed to have a higher degree of priority and protection than non-public trust uses of water. We specifically hold a reservation for 3.398 million gallons per day (mgd) in the Keauhou Aquifer, granted by CWRM in 2015.

DHHL beneficiaries also have a right to water used in the exercise of traditional and customary native Hawaiian practices. Our beneficiaries may conduct traditional and customary practices in the area, another recognized public trust use of water. Hawai'i Courts have not established priorities among the recognized public trust uses of water. Because of that, DHHL has an obligation to seek that other public trust uses of water

Department of Hawaiian Home Lands
April 1, 2025
Page 2 of 2

are not harmed when DHHL public trust uses of water are being supported, as well as when non-public trust uses of water are being pursued.

Thank you for your consideration of our testimony.



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism

Statement of
Riley Saito
Executive Director
Natural Energy Laboratory of Hawaii Authority
before the

HOUSE COMMITTEE ON FINANCE

Tuesday, April 1, 2025
2:00 pm
State Capitol, Conference Room 308 & Videoconference

SB 1602 **RELATING TO THE KEAUHOU AQUIFER SYSTEM.**

The Natural Energy Laboratory of Hawaii Authority (NELHA) is pleased to support SB 1602, which establishes the Keauhou Aquifer System Monitoring Program and appropriates funds to DLNR to install two monitoring wells. NELHA is a self-sufficient agency that supports over 50 companies, with an annual economic impact on Hawaii of \$148M, as determined by the University of Hawaii Economic Research Organization for the calendar year 2022.

NELHA's duties include supporting ocean research and technology development on the 870-acre Hawaii Ocean Science and Technology (HOST) park it administers. Additional fresh water will be necessary to develop the remaining 200 + acres within the park to accommodate additional projects and assist in diversifying the West Hawaii economy by developing innovative technologies in accordance with HRS 227D.

Over the past decade, NELHA has partnered with various State and County agencies, along with the local community and other stakeholders to develop the OTA well with the aim of providing freshwater for housing as well as economic development activities. The efforts have been stalled due to significant pushback and an agreement has not yet been arrived at regarding well permit conditions. Establishing a monitoring program which is managed by the DLNR/CWRM will assist in making data-driven decisions with respect to permit conditions and assist with addressing concerns expressed by the West Hawaii community regarding the development of the OTA well and other wells currently contemplated for West Hawaii.

Thank you for the opportunity to offer these comments and express its support.



DEPARTMENT OF WATER SUPPLY • COUNTY OF HAWAII

345 KEKŪANAŌ'A STREET, SUITE 20 • HILO, HAWAII 96720

TELEPHONE (808) 961-8050 • FAX (808) 961-8657

March 31, 2025

TESTIMONY OF KEITH K. OKAMOTO, MANAGER-CHIEF ENGINEER
DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAII

HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE

DATE: Tuesday, April 1, 2025

TIME: 2:00 p.m.

PLACE: VIA VIDEOCONFERENCE
Conference Room 308

SB 1602 SD1 HD1- RELATING TO THE KEAUKOU AQUIFER SYSTEM

Honorable Chair Yamashita, Vice-Chair Takenouchi, and committee members,

The County of Hawaii, Department of Water Supply (DWS) submits this letter in support of Senate Bill (SB) 1602 SD1 HD1.

This bill proposes to establish a Keauhou aquifer system monitoring pilot project and appropriate funds to the Department of Land and Natural Resources to install two monitoring wells in the Keauhou aquifer system. DWS is hopeful that this effort will provide data and information that will allow for improved decision making.

We thank you for your attention to this matter, and for your dedication and commitment to serving our State.

Please feel free to contact me at (808) 961-8050 or via email at dws@hawaiidws.org with any questions you may have regarding DWS' comments. Thank you for your time and consideration of our testimony on SB 1602 SD1 HD1.

...Water, Our Most Precious Resource...Ka Wai A Kāne...

The Department of Water Supply is an Equal Opportunity provider and employer.

March 14, 2025

The Honorable Nicole E. Lowen, Chair
House Committee on Energy & Environmental Protection
The Honorable Mark J. Hashem, Chair
House Committee on Water & Land
Hawaii State Capitol, Conference Room 325
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Testimony in Support of SB1602 SD1 RELATING TO THE KEAUHOU AQUIFER SYSTEM.

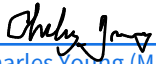
Dear Chair Lowen, Chair Hashem, and Members of the Committees,

I am Charles Young, chair of the Kona Community Development Plan Action Committee. On March 11, 2025, the Kona Community Development Plan Action Committee voted unanimously to support SB 1602, which appropriates funds to the Department of Land and Natural Resources (DLNR) to install two monitoring wells in the Keauhou Aquifer System. It also establishes the Keauhou Aquifer System Monitoring Program and requires reports to the Legislature, detailing groundwater levels and water quality analysis in the Keauhou aquifer system.

The public trust doctrine described by the Hawai'i Supreme Court as, "the right of the people to have the waters protected for their use [which] demands adequate provision for traditional and customary Hawaiian rights, wildlife, maintenance of ecological balance and scenic beauty, and the preservation and enhancement of the waters" (HRS 174C-2), aims to protect ecological, cultural, and social uses of waters.

Much of the Keauhou aquifer system is located underneath the Kona Urban Growth Area (UGA) by the County General Plan and the Kona Community Development Plan. This land is envisioned for future urban growth and infrastructure development. At the same time, the Keauhou Aquifer System is a vital water source that sustains local ecosystems and cultural practices. Therefore, achieving the balance between high density development and resource sustainability is critical. The Kona Community Development Plan Action Committee supports SB1602, which proposes to create a Keauhou aquifer system monitoring pilot program to enhance our ability to sustainably manage groundwater use within the Keauhou aquifer system.

Respectively,


Charles Young (Mar 14, 2025 12:15 HST)
Charles Young,


Testimony in Support of SB1602 SD1 RELATING TO THE KEA UHOU AQUIFER SYSTEM

Final Audit Report

2025-03-14

Created:	2025-03-14
By:	Kawelo Kalili (kawelo.kalili@hawaiicounty.gov)
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"Testimony in Support of SB1602 SD1 RELATING TO THE KEA UHOU AQUIFER SYSTEM" History

-  Document created by Kawelo Kalili (kawelo.kalili@hawaiicounty.gov)
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-  Document emailed to Charles Young (youngc042@hawaii.rr.com) for signature
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-  Document e-signed by Charles Young (youngc042@hawaii.rr.com)
Signature Date: 2025-03-14 - 10:15:16 PM GMT - Time Source: server
-  Agreement completed.
2025-03-14 - 10:15:16 PM GMT



**Testimony to the House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair**

**Tuesday, April 1, 2025, at 2:00PM
Conference Room 308 & Videoconference**

RE: SB1602 SD1 HD1 Relating to the Keauhou Aquifer System

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 1602 SD1 HD1 (SB1602 SD1 HD1), which establishes the Keauhou Aquifer System Monitoring Pilot Project. Requires the Department of Land and Natural Resources to determine whether to continue, expand, or end the Pilot Project. Appropriates funds to the Department of Land and Natural Resources for the Pilot Project and to install two monitoring wells in the Keauhou Aquifer System.

SB1602 SD1 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Business Services. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii faces increasing pressure on its groundwater resources, making effective monitoring and management essential for protecting coastal ecosystems, traditional practices, and local communities. This legislation mandates that the Department of Land and Natural Resources establish the Keauhou Aquifer System Monitoring Pilot Project, which includes installing monitoring wells, collecting data, tracking groundwater levels, conducting salinity tests, assessing the impacts of groundwater pumping, and engaging the public through information meetings and community outreach. The department will also submit interim reports to the legislature every six months to evaluate the project's progress.

The measure also appropriates funds for fiscal years 2025-2026 and 2026-2027 to support the pilot project and install two additional monitoring wells, ensuring that critical water resources are managed responsibly. This responsible management safeguards environmental and cultural values and supports the local economy by ensuring a reliable water supply for agriculture, tourism, and other industries. The Chamber supports this legislation, as it promotes sustainable water management and economic stability for local communities.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 1602 Senate Draft 1 House Draft 1. Thank you for the opportunity to testify.



Hawai'i Island Chamber of Commerce

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Carla Kuo

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

SB 1602 SD1 HD1 - Relating to the Keauhou Aquifer System – IN SUPPORT

Tuesday, April 1, 2025 2:00 PM

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

On behalf of the Hawai'i Island Chamber of Commerce, which represents over 300 businesses and individual members primarily located on the East side of Hawai'i Island, I am submitting this testimony in strong support of SB1602 SD1 HD1. This bill establishes the Keauhou Aquifer System Monitoring Pilot Project, which is crucial for the responsible management of our island's groundwater resources. It requires the Department of Land and Natural Resources (DLNR) to assess whether to continue, expand, or terminate the pilot project and allocates funding to support DLNR in installing two monitoring wells in the Keauhou Aquifer System.

Hawai'i Island faces increasing pressure on its groundwater resources, making effective monitoring and management vital for the protection of coastal ecosystems, traditional practices, and local communities. This legislation directs the DLNR to establish the Keauhou Aquifer System Monitoring Pilot Project, which includes the installation of monitoring wells, data collection, tracking groundwater levels, conducting salinity tests, evaluating the impacts of groundwater pumping, and engaging the public through informational meetings and outreach. The department will also provide the legislature with interim progress reports every six months.

The bill appropriates funds for fiscal years 2025-2026 and 2026-2027 to support the pilot project and the installation of two additional monitoring wells, ensuring that our critical water resources are managed effectively. This responsible management will help safeguard both environmental and cultural values while supporting the local economy by maintaining a reliable water supply for agriculture, tourism, and other industries.

The Hawai'i Island Chamber of Commerce strongly supports this bill as it promotes sustainable water management and strengthens economic stability for our local communities. We respectfully request the passage of SB1602 SD1 HD1. Thank you for the opportunity to testify.

Sincerely,

Carla Kuo

Executive Officer

Hawai'i Island Chamber of Commerce



March 31, 2025

RE: SB 1602 SD1 HD1 Relating to the Keauhou Aquifer System

Dear Chair Yamashita, Vice Chair Takenouchi, members of the House Committee on Finance,

Since our establishment in 1968, the Kona-Kohala Chamber of Commerce has worked to enhance the quality of life for our community through a strong, sustainable economy on Hawai'i Island. With over 460 member businesses and organizations, our mission is to provide leadership and advocacy for a successful business environment in West Hawai'i.

The Kona-Kohala Chamber of Commerce **strongly supports** SB 1602 SD1 HD1 Relating to the Keauhou Aquifer System.

Water development is a top priority for the Kona-Kohala Chamber and our region. We strongly support freshwater resource development, maintenance, and protection in West Hawai'i. New freshwater development on the west side of Hawai'i Island provides critical infrastructure to support housing, another top priority for our members and the entire community.

This bill establishes a Keauhou aquifer system monitoring pilot program within the Department of Land and Natural Resources (DLNR). The Commission on Water Resource Management shall manage installed monitoring wells, monitor groundwater levels, and conduct water quality tests in the Keauhou aquifer system. DLNR will submit reports detailing groundwater levels and water quality to the legislature every six months.

We are confident the steps outlined in this pilot program will provide progress on this long-standing issue. Developing new freshwater resources will promote the well-being of our community, improve business opportunities, and strengthen our local economy.

We ask you to pass SB 1602 SD1 HD1 Relating to the Keauhou Aquifer System.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Wendy J. Laros'. The signature is fluid and cursive, with the first name 'Wendy' being more prominent.

Wendy J. Laros, President and CEO
Kona-Kohala Chamber of Commerce

SB-1602-HD-1

Submitted on: 3/28/2025 6:23:39 PM

Testimony for FIN on 4/1/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

The Keauhou Aquifer, which serves my residence, is much in demand, and little known. The project to be funded by SB1602 should gather data which will be essential to the management of this precious resource. Without data, we are just guessing. Please pass SB1602.

SB-1602-HD-1

Submitted on: 3/31/2025 6:39:28 AM

Testimony for FIN on 4/1/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT. Water is needed for population and economic growth, and wildfire mitigation. Worth pursuing to determine viability. Mahalo!